

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)
Project/Well Name: Unit 13-02
Operator: Denbury Onshore, LLC

Location: T8S, R54E, Sec 13 NW NE
County: Powder River MT; **Field (or Wildcat):** Bell Creek

Proposed Project Date: 7/02/2023

I. DESCRIPTION OF ACTION

Denbury plans to re-enter well for use as a monitoring well in the tertiary CO₂/Waterflood program. The TVD/MD of this re-entry is 4,554'. Objective formation is the Muddy Sandstone. 1,000' of intermediate casing will be installed. Cement plugs will be drilled out and the open holes will be re-plugged.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS, OR INDIVIDUALS CONTACTED

Montana Bureau of Mines and Geology, GWIC website (Powder River County Wells).

US Fish and Wildlife, Region 6 website
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Powder River County

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T8S R54E

Montana Cadastral Website
Surface Ownership and surface use Section 13 T8S R54E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

No Action Alternative: The proposed well would not be re-entered.

Action Alternative: Denbury would have permission to re-enter well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No.

Unusually deep drilling (high horsepower rig): No.

Possible H₂S gas production: None anticipated

In/near Class I air quality area: No

Air quality permit for flaring/venting (if productive): NA, well is to be a monitoring well.

Comments: No special concerns – using rig to re-enter to 4,554' TVD/MD.

4. WATER QUALITY

Salt/oil based mud: Using field saltwater system for drilling out cement plugs.

High water table: No

Surface drainage leads to live water: No. An unnamed ephemeral drainage is located about 200' to the south.

Water well contamination: No, nearest water well is a 100' deep stockwater well located about 2/5 of a mile to the southwest.

Porous/permeable soils: No, sandy clay.

Class I stream drainage: No.

Groundwater vulnerability area: No.

Mitigation:

☐ Lined reserve pit

☐ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☒ Closed mud system

☒ Off-site disposal of solids/liquids (in approved facility)

Comments:

5. SOILS/VEGETATION/LAND USE

Vegetation: Grassland.

Stream crossings: No

High erosion potential: No.

Loss of soil productivity: No

Unusually large wellsite (Describe dimensions): A small location for a monitoring well.

Damage to improvements: No.

Conflict with existing land use/values: None.

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

- ☐ Stockpile topsoil
- ☐ Stream Crossing Permit (other agency review)
- ☐ Reclaim unused part of wellsite if productive
- ☐ Special construction methods to enhance reclamation

Access Road: MT 544 Boyles South Rd, a new access of 1,370' will be built to location from the 12-15SH location.

Drilling fluids/solids: Solids will be contained in metal pits and then hauled to a licensed disposal facility.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No residences within a ½ mile radius.

Possibility of H2S: None anticipated.

Size of rig/length of drilling time: 2 to 3 days.

Mitigation:

- ☒ Proper BOP equipment
- ☐ Topographic sound barriers
- ☐ H2S contingency and/or evacuation plan
- ☐ Special equipment/procedures requirements
- ☐ Other:

7. WILDLIFE/RECREATION

Sage Grouse: NA.

Proximity to sensitive wildlife areas (DFWP identified): None.

Proximity to recreation sites: None.

Creation of new access to wildlife habitat: No.

Conflict with game range/refuge management: No.

Threatened or endangered Species: Species listed as endangered or threatened in Powder River County are the Pallid Sturgeon, and Yellow-billed Cuckoo, The Monarch Butterfly is listed as a Candidate. The Montana Natural Heritage Program lists zero (0) species of concern in T8S-R54E Section 13.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☐ Other agency review (DFWP, federal agencies, DNRC Trust Lands, Sage Grouse Habitat

Conservation Program)

- ☐ Screening/fencing of pits, drillsite
- ☐ Other:

Comments: Private grazing surface lands. There may be species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands. No concerns.

IV. IMPACTS ON THE HUMAN POPULATION

8. HISTORICAL/CULTURAL/PALEONTOLOGICAL

Proximity to known sites:

Mitigation

___ avoidance (topographic tolerance, location exception)

___ other agency review (SHPO, DNRC Trust Lands, federal agencies)

Other:

9. SOCIAL/ECONOMIC

Substantial effect on tax base

___ Create demand for new governmental services

___ Population increase or relocation

Comments: No concerns.

IV. SUMMARY

No long term impacts expected. Some short term impacts will occur, but can be mitigated.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

EA Checklist
Prepared By:

Name: John Gizicki
Title: Chief Field Inspector

Date: 06/28/23